



Entergy Arkansas, Inc.
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REC'D TN
REGULATORY AUTH.

Steven K. Strickland
Director
Regulatory Affairs

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CHIEF OF THE
EXECUTIVE SECRETARY

December 9, 1999

Mr. Mike Horne
Financial Manager -- Gas, Water & Electric Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Tennessee Regulatory Authority Docket No. 99-80963
Annual Interest Rate on all Utility Service Customer Deposits

Dear Mr. Horne:

Attached is a copy of the Arkansas Public Service Commission Order No. 3 in Docket No. 99-283-U issued December 7, 1999 ordering all jurisdictional utilities subject to the APSC to pay simple interest at the rate of 5.3% per annum during 2000 on all utility service customer deposits. It is our intention to also pay this rate for the Tennessee customer deposits.

Enclosed is a check in the amount of \$25.00 for this filing. We respectfully request that the Tennessee Regulatory Authority grant approval to allow implementation on January 1, 2000. In addition to this original letter and attachments, five duplicate copies are included for your use.

If you have any questions or need additional information, please do not hesitate to call me at (501) 377-4457 or Mr. Will Morgan at (501) 377-5489.

Sincerely,

SKS/tj
Attachments

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25.00

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ARKANSAS
PUBLIC SERVICE COMMISSION

FILED

IN THE MATTER OF THE ANNUAL
DETERMINATION OF THE INTEREST
RATE APPLICABLE TO UTILITY
CUSTOMER DEPOSITS

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DOCKET NO. 99-283-U
ORDER NO. 3

ORDER

Ark. Code Ann. §23-4-206 requires the Arkansas Public Service Commission (Commission) to determine, on an annual basis, and following notice and hearing, the interest rate to be paid by regulated public utilities on customer deposits for utility service, not to exceed 10%, and to enter an order no later than December 31st each year fixing such interest rate for the following year.

By Order No. 1 issued October 4, 1999, this docket was established by the Commission for the purpose of considering and setting the year 2000 interest rate to be paid on customer deposits for utility service by all jurisdictional utility companies operating in Arkansas and subject to the Commission's regulatory authority.

On November 2, 1999, Rob Brunner, a Commission Financial Analyst, filed prepared testimony in this docket on behalf of the General Staff of the Commission (Staff), represented at the hearing by Staff Attorney Beverly Hood Jones. In his testimony Mr. Brunner recommends that utilities pay simple interest on customer deposits for 1999 at the rate of 5.3%.

Although Order No. 1 invited all jurisdictional utilities to file rebuttal testimony in this docket in response to Staff's recommendation, no companies elected to do so. Staff's recommendation of 5.3% is therefore unopposed.

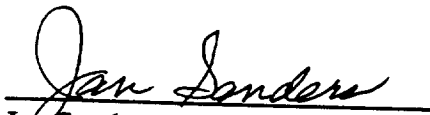
At the public hearing in this matter on December 7, 1999, no one appeared to object to Staff's proposed year 2000 interest rate of 5.3%. Moreover, a representative of one utility, to wit, Entergy Arkansas, Inc., submitted a written comment for the record stating that this company had no objection to the proposed interest rate of 5.3%.

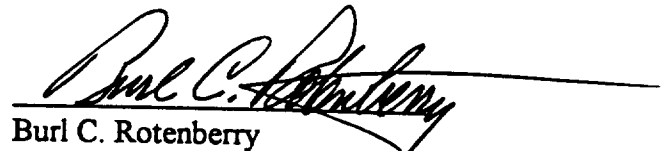
After considering all matters of record in this docket, I find that Staff's recommendation regarding the year 2000 interest rate to be paid on utility service customer deposits, as well as the methodology used to develop this recommendation, is reasonable and in the public interest. Accordingly, it is hereby ORDERED that all jurisdictional utilities subject to the regulatory authority of this Commission pay simple interest at the rate of 5.3% per annum during 2000 on all utility service customer deposits.

The Secretary of the Commission is authorized and directed to close this docket.

**BY ORDER OF THE ADMINISTRATIVE LAW JUDGE PURSUANT TO
DELEGATION.**

This 7th day of December, 1999.


Jan Sanders
Secretary of the Commission


Burl C. Rotenberry
Administrative Law Judge